

### State Bar Court of California **Hearing Department** Los Angeles STAYED SUSPENSION Counsel For The State Bar Case Number(s): For Court use only 11-0-19542 Adriana M. Burger 12-O-11208 **Deputy Trial Counsel PUBLIC MATTER** 12-O-12200 1149 S. Hill Street 12-0-17583 Los Angeles, CA 90015-2299 (213) 765-1229 Bar # 92534 JAN 25 2013 Counsel For Respondent STATE BAR COURT CLERK'S OFFICE Michael G. Gerner LOS ANGELES Michael G. Gerner, A Prof. Law Corp. 425 S. Beverly Dr., Ste. 210 Beverly Hills, CA 90212 (310) 556-1300 Submitted to: Settlement Judge STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING Bar # 65906 In the Matter of: STAYED SUSPENSION; NO ACTUAL SUSPENSION MARC CHARLES ROSENBERG □ PREVIOUS STIPULATION REJECTED Bar # 174592 A Member of the State Bar of California (Respondent)

Note: All information required by this form and any additional information which cannot be provided in the space provided, must be set forth in an attachment to this stipulation under specific headings, e.g., "Facts," "Dismissals," "Conclusions of Law," "Supporting Authority," etc.

## A. Parties' Acknowledgments:

- (1) Respondent is a member of the State Bar of California, admitted December 12, 1994.
- (2) The parties agree to be bound by the factual stipulations contained herein even if conclusions of law or disposition are rejected or changed by the Supreme Court.
- (3) All investigations or proceedings listed by case number in the caption of this stipulation are entirely resolved by this stipulation and are deemed consolidated. Dismissed charge(s)/count(s) are listed under "Dismissals." The stipulation consists of 14 pages, not including the order.

(B)

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(4)		tatement of acts or omissions acknowledged by Respondent as cause or causes for discipline is included ler "Facts."				
(5)	Conclusions of law, drawn from and specifically referring to the facts are also included under "Conclusions of Law".					
(6)	The parties must include supporting authority for the recommended level of discipline under the heading "Supporting Authority."					
(7)		more than 30 days prior to the filing of this stipulation, Respondent has been advised in writing of any ding investigation/proceeding not resolved by this stipulation, except for criminal investigations.				
(8)	Payment of Disciplinary Costs—Respondent acknowledges the provisions of Bus. & Prof. Code §§6086.10 & 6140.7. (Check one option only):					
	Costs are added to membership fee for calendar year following effective date of discipline.  Costs are to be paid in equal amounts prior to February 1 for the following membership years: (Hardship, special circumstances or other good cause per rule 5.132, Rules of Procedure). If Respondent fails to pay any installment as described above, or as may be modified by the State E Court, the remaining balance is due and payable immediately.  Costs are waived in part as set forth in a separate attachment entitled "Partial Waiver of Costs".  Costs are entirely waived.					
Pro	fess	avating Circumstances [for definition, see Standards for Attorney Sanctions for ional Misconduct, standard 1.2(b)]. Facts supporting aggravating circumstances uired.				
(1)		Prior record of discipline [see standard 1.2(f)]				
	(a)	State Bar Court case # of prior case				
	(b)	Date prior discipline effective				
	(c)	Rules of Professional Conduct/ State Bar Act violations:				
	(d)	☐ Degree of prior discipline				
	(e)	If Respondent has two or more incidents of prior discipline, use space provided below or a separate attachment entitled "Prior Discipline.				
(2)		□ Dishonesty: Respondent's misconduct was surrounded by or followed by bad faith, dishonesty, concealment, overreaching or other violations of the State Bar Act or Rules of Professional Conduct.				
(3)		Trust Violation: Trust funds or property were involved and Respondent refused or was unable to account to the client or person who was the object of the misconduct for improper conduct toward said funds or property.				
(4)		Harm: Respondent's misconduct harmed significantly a client, the public or the administration of justice.				
(5)		Indifference: Respondent demonstrated indifference toward rectification of or atonement for the consequences of his or her misconduct.				

ot write	e above this line.)					
	Lack of Cooperation: Respondent displayed a lack of candor and cooperation to victims of his/her misconduct or to the State Bar during disciplinary investigation or proceedings.					
$\boxtimes$	Multiple/Pattern of Misconduct: Respondent's current misconduct evidences multiple acts of wrongdoing or demonstrates a pattern of misconduct. Please see Attachment at page 9					
	No aggravating circumstances are involved.					
tiona	al aggravating circumstances					
	ating Circumstances [see standard 1.2(e)]. Facts supporting mitigating stances are required.					
	<b>No Prior Discipline:</b> Respondent has no prior record of discipline over many years of practice coupled with present misconduct which is not deemed serious.					
	No Harm: Respondent did not harm the client or person who was the object of the misconduct.					
	<b>Candor/Cooperation:</b> Respondent displayed spontaneous candor and cooperation with the victims of his/her misconduct and to the State Bar during disciplinary investigation and proceedings.					
	<b>Remorse:</b> Respondent promptly took objective steps spontaneously demonstrating remorse and recognition of the wrongdoing, which steps were designed to timely atone for any consequences of his/her misconduct.					
	<b>Restitution:</b> Respondent paid \$ on in restitution to without the threat or force of disciplinary, civil or criminal proceedings.					
	<b>Delay:</b> These disciplinary proceedings were excessively delayed. The delay is not attributable to Respondent and the delay prejudiced him/her.					
	Good Faith: Respondent acted in good faith.					
	<b>Emotional/Physical Difficulties:</b> At the time of the stipulated act or acts of professional misconduct Respondent suffered extreme emotional difficulties or physical disabilities which expert testimony would establish was directly responsible for the misconduct. The difficulties or disabilities were not the product of any illegal conduct by the member, such as illegal drug or substance abuse, and Respondent no longer suffers from such difficulties or disabilities.					
	<b>Severe Financial Stress:</b> At the time of the misconduct, Respondent suffered from severe financial stress which resulted from circumstances not reasonably foreseeable or which were beyond his/her control and which were directly responsible for the misconduct.					
	<b>Family Problems:</b> At the time of the misconduct, Respondent suffered extreme difficulties in his/her personal life which were other than emotional or physical in nature.					
	<b>Good Character:</b> Respondent's good character is attested to by a wide range of references in the legal and general communities who are aware of the full extent of his/her misconduct.					
	<b>Rehabilitation:</b> Considerable time has passed since the acts of professional misconduct occurred followed by convincing proof of subsequent rehabilitation.					
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(13) No mitigating circumstances are involved.

# Additional mitigating circumstances

Please see Attachment at page 9

D. Dis	cip	line:
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(1)	(1) Stayed Suspension:		spension:				
	(a)		Resp	condent must be suspended from the practice of law for a period of 1 (one) year.			
		i.		and until Respondent shows proof satisfactory to the State Bar Court of rehabilitation and present fitness to practice and present learning and ability in the law pursuant to standard 1.4(c)(ii), Standards for Attorney Sanctions for Professional Misconduct.			
		ii.		and until Respondent pays restitution as set forth in the Financial Conditions form attached to this stipulation.			
		iii.		and until Respondent does the following:			
	The	abov	e-refe	renced suspension is stayed.			
(2)	$\boxtimes$	Prot	ation	:			
				placed on probation for a period of 3 (three) years, which will commence upon the effective date Court order in this matter. (See rule 9.18 California Rules of Court.)			
E. A	ddi	tiona	I Co	nditions of Probation:			
(1)	$\boxtimes$	During the probation period, Respondent must comply with the provisions of the State Bar Act and Rules of Professional Conduct.					
(2)		Within ten (10) days of any change, Respondent must report to the Membership Records Office of the State Bar and to the Office of Probation of the State Bar of California ("Office of Probation"), all changes of information, including current office address and telephone number, or other address for State Bar purposes, as prescribed by section 6002.1 of the Business and Professions Code.					
(3)	$\boxtimes$	Within thirty (30) days from the effective date of discipline, Respondent must contact the Office of Probation and schedule a meeting with Respondent's assigned probation deputy to discuss these terms and conditions of probation. Upon the direction of the Office of Probation, Respondent must meet with the probation deputy either in-person or by telephone. During the period of probation, Respondent must promptly meet with the probation deputy as directed and upon request.					
July 10, and October 10 of the period of probation. Under penalty of perjury, Respondent m whether Respondent has complied with the State Bar Act, the Rules of Professional Conductions of probation during the preceding calendar quarter. Respondent must also state		espondent has complied with the State Bar Act, the Rules of Professional Conduct, and all of probation during the preceding calendar quarter. Respondent must also state whether there occeedings pending against him or her in the State Bar Court and if so, the case number and tus of that proceeding. If the first report would cover less than 30 days, that report must be					
				to all quarterly reports, a final report, containing the same information, is due no earlier than days before the last day of the period of probation and no later than the last day of probation.			
(5)		cond Durir in ad	itions ng the dition	nt must be assigned a probation monitor. Respondent must promptly review the terms and of probation with the probation monitor to establish a manner and schedule of compliance. period of probation, Respondent must furnish to the monitor such reports as may be requested, to the quarterly reports required to be submitted to the Office of Probation. Respondent must fully with the probation monitor.			

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(6)	$\boxtimes$	Subject to assertion of applicable privileges, Respondent must answer fully, promptly and truthfully any inquiries of the Office of Probation and any probation monitor assigned under these conditions which are directed to Respondent personally or in writing relating to whether Respondent is complying or has complied with the probation conditions.			
(7)	$\boxtimes$	Within one (1) year of the effective date of the discipline herein, Respondent must provide to the Office of Probation satisfactory proof of attendance at a session of the State Bar Ethics School, and passage of the test given at the end of that session.			ne herein, Respondent must provide to the Office of n of the State Bar Ethics School, and passage of the
			No Ethics School recommended. Reason:	:	•
(8)	$\boxtimes$	must			ion imposed in the underlying criminal matter and n with any quarterly report to be filed with the Office
(9)		The	following conditions are attached hereto and	d inco	rporated:
			Substance Abuse Conditions		Law Office Management Conditions
			Medical Conditions		Financial Conditions
F. C	)the	r Cor	nditions Negotiated by the Parties:	:	
(1)		Multistate Professional Responsibility Examination: Respondent must provide proof of passage of the Multistate Professional Responsibility Examination ("MPRE"), administered by the National Conference of Bar Examiners, to the Office of Probation within one year. Failure to pass the MPRE results in actual suspension without further hearing until passage. But see rule 9.10(b), Californi Rules of Court, and rule 5.162(A) & (E), Rules of Procedure.			
(2)		Oth	her Conditions:		

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Attachment language (if any):

## **ATTACHMENT TO**

# STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION

IN THE MATTER OF:

Marc Charles Rosenberg

CASE NUMBER(S):

11-O-19542, 12-O-11208, 12-O-12200, 12-O-17583

### FACTS AND CONCLUSIONS OF LAW.

Respondent admits that the following facts are true and that he is culpable of violations of the specified statutes and/or Rules of Professional Conduct.

# Case No. 11-O-19542 (Complainant: Kolb)

### **FACTS:**

- 1. On September 10, 2010, Laurence and Shideh Kolb ("Kolbs") hired Respondent to negotiate and obtain for them a home mortgage loan modification.
- 2. On September 10, 2010, the Kolbs paid Respondent an initial advanced fee of \$2,500. However, Respondent had not completed all the service he had contracted to perform, or otherwise represented he would perform for the Kolbs.
- 3. On September 27, 2010, the Kolbs paid Respondent an additional advanced fee of \$4,500 for additional loan modification services and, agreed to pay Respondent an additional five percent of the principal if the loan reduction was successful. On September 27, 2010, Respondent had not completed all the services he had contracted to perform, or otherwise represented he would perform for the Kolbs.
- 4. Respondent took advance fees from the Kolbs prior to Respondent fully performing each and every service for the clients.
- 5. After the Kolbs filed their complaint with the California State Bar, Respondent refunded all advanced fees to the Kolbs.

#### CONCLUSIONS OF LAW:

6. By charging and receiving advanced fees in exchange for agreeing to perform loan modification services in violation of California Civil Code section 2944.7(a)(1), Respondent willfully violated Business and Professions Code section 6106.3.

## Case No. 12-O-11208 (Complainant: Heydar)

### FACTS:

- 7. On February 22, 2011 Ahmad Heydar, ("Heydar") hired Respondent to negotiate and obtain for him a home mortgage loan modification.
- 8. On February 22, 2011, Heydar paid Respondent an advanced \$2,500 fee. However, Respondent had not completed all the service he had contracted to perform, or otherwise represented he would perform for the Heydar.
- 9. Respondent took advance fees from Heydar prior to Respondent fully performing each and every service for the client.
- 10. After Heydar filed his complaint with the California State Bar, Respondent refunded all advanced fees.

#### CONCLUSIONS OF LAW:

11. By charging and receiving advanced fees in exchange for agreeing to perform loan modification services in violation of California Civil Code section 2944.7(a)(1), Respondent willfully violated Business and Professions Code section 6106.3.

# Case No. 12-O-12200 (Complainant: Parsa)

### FACTS:

- 12. On, August 16, 2010, Mike Parsa hired Respondent to negotiate and obtain for him a home mortgage loan modification.
- 13. On August 16, 2010, Parsa paid Respondent an advanced fee of \$3,000. However, Respondent had not completed all the service he had contracted to perform, or otherwise represented he would perform for the Parsa.
- 14. Respondent took advance fees from Parsa prior to Respondent fully performing each and every service for the client.
- 15. After Parsa filed his complaint with the California State Bar, Respondent refunded all advanced fees through Parsa's new attorney Bandon N. Krueger.

## CONCLUSIONS OF LAW:

16. By charging and receiving advanced fees in exchange for agreeing to perform loan modification services in violation of California Civil Code section 2944.7(a)(1), Respondent willfully violated Business and Professions Code section 6106.3.

# Case No. 12-O-17583 (Complainant: Shahla B. Sepahbodi)

## **FACTS**:

- 17. In October 2009, Shahla B. Sepahbodi ("Sepahbodi") hired Respondent to negotiate and obtain for her a home mortgage loan modification.
- 18. In October 2009, Sepahbodi paid Respondent an advanced fee of \$8,500. However, Respondent had not completed all the service he had contracted to perform, or otherwise represented he would perform for the Sepahabodi.
- 19. Respondent took advance fees from Sepahabodi prior to Respondent fully performing each and every service for the client.
- 20. After Sepahbodi filed her complaint with the California State Bar, Respondent refunded \$1,000 to Sepahbodi and entered into a confidential settlement agreement with Sepahbodi to refund the balance.

### CONCLUSIONS OF LAW:

21. By charging and receiving advanced fees after in exchange for agreeing to perform loan modification services in violation of California Civil Code section 2944.7(a)(1), Respondent willfully violated Business and Professions Code section 6106.3.

#### AGGRAVATING CIRCUMSTANCES.

Multiple/Pattern of Misconduct: Standard 1.2(b)(iii). Respondent committed multiple acts of misconduct. Respondent committed four (4) acts of misconduct from October 2009 through February 2011 that consists of the same course of conduct and violations.

### ADDITIONAL FACTS RE MITIGATING CIRCUMSTANCES NOT ITEMIZED IN PART B.

No Prior Misconduct: Respondent has been actively practicing law for approximately eighteen (18) years without any State Bar discipline. Although the violations described are serious. Respondent is entitled to mitigation credit due to his many years of practice without discipline. (*Edwards v. State Bar* (1990) 52 Cal.3d 28 [mitigative credit given to attorney with twelve years of practice without discipline despite serious misconduct].)

Candor, Cooperation and Remorse: After being contacted by the State Bar, Respondent provided the State Bar his files documenting Respondent's work completed on each client and also took immediate steps to refund the illegal fees. Additionally, Respondent has cooperated with the State Bar by entering into a stipulated settlement for the matters described in this stipulation and refunding fees to the clients. (Silva-Vidor v. State Bar (1989) 49 Ca.3d 1071 [mitigative credit given where attorney admitted facts and culpability in order to early resolve State Bar proceedings].)

### AUTHORITIES SUPPORTING DISCIPLINE.

The Standards for Attorney Sanctions for Professional Misconduct provide a "process of fixing discipline" pursuant to a set of written principles to "better discharge the purposes of attorney discipline as announced by the Supreme Court." (Rules Proc. of State Bar, tit. IV, Stds. for Atty. Sanctions for Prof. Misconduct, Introduction (all further references to standards are to this source).) The primary purposes of disciplinary proceedings and of the sanctions imposed are "the protection of the public, the courts and the legal profession; the maintenance of high professional standards by attorneys and the preservation of public confidence in the legal profession." (*In re Morse* (1995) 11 Cal.4th 184, 205; std 1.3.)

Although not binding, the standards are entitled to "great weight" and should be followed "whenever possible" in determining level of discipline. (In re Silverton (2005) 36 Cal.4th 81, 92, quoting In re Brown (1995) 12 Cal.4th 205, 220 and In re Young (1989) 49 Cal.3d 257, 267, fn. 11.) Adherence to the standards in the great majority of cases serves the valuable purpose of eliminating disparity and assuring consistency, that is, the imposition of similar attorney discipline for instances of similar attorney misconduct. (In re Naney (1990) 51 Cal.3d 186, 190.) Any discipline recommendation different from that set forth in the applicable standards should clearly explain the reasons for the deviation. (Blair v. State Bar (1989) 49 Cal.3d 762, 776, fn. 5.)

Respondent's violations of Business and Professions Code section 6106.3 are not addressed in a particular standard, and therefore fall within Standard 2.10, which calls for a range of discipline from reproval to suspension depending upon the gravity of the offense or the harm, if any, to the client, and with due regard to the purpose of imposing discipline.

Respondent committed serious misconduct by charging illegal fees. Respondent completed or substantially completed all the legal services contracted by the clients; and, although the misconduct is serious, it is ameliorated by the following factors: In all instances, substantial work was completed and Respondent made every effort to assist his clients in resolving their financial predicaments. In three of the four matters, all contracted work was completed. In the one not completed, it was due to the client's decision based upon personal circumstances not related to performance. In one matter the Respondent completed additional services for the client which exceeded the advanced fees. In three of the four matters Respondent has refunded all the fees. In one matter Respondent has made partial restitution and arranged to a civil resolution at the request of the complainant.

Respondent's violations of Business and Professions Code section 6106.3 are not addressed in a particular California Supreme Court case nor are there cases regarding the charging of illegal fees prior to completing contracted legal services. However, there is guidance in some cases involving unconscionable fees. In a more egregious matter concerning the charging of unconscionable fees, the Review Department imposed a 90 day actual suspension on a Respondent for charging unconscionable fees and other serious misconduct. (*In the Matter of Van Sickle* (2006) 4 Cal. State Bar Ct. Rptr. 980.) This matter involves the charging of illegal fees, distinguished from an unconscionable fee. This matter also has compelling mitigation not present in the *Van Sickle* case consisting of no other misconduct and Respondent's many years of practice without prior discipline. The Supreme Court has previously found that an unblemished record for a similar period to be an important mitigating circumstance. (*Schneider v. State Bar* (1987) 43 Cal. 3d 784 and *Waysman v. State Bar* (1986) 41 Cal. 3d 452.) The misconduct in the four matters and Respondent's lengthy years of practice with no prior discipline distinguish this matter from *Van Sickle* towards a range below actual suspension. Important mitigating factors and circumstances in this matter were not present in *Van Sickle*.

Stayed suspension is appropriate in this matter and would serve the purposes of professional discipline, including preservation of public confidence in the legal profession. One year stayed suspension is adequate to protect the public and is sufficient to accomplish the goals of public protection and deterrence against misconduct in the future.

## PENDING PROCEEDINGS.

The disclosure date referred to, on page 2, paragraph A(7), was December 27, 2012.

# COSTS OF DISCIPLINARY PROCEEDINGS.

Respondent acknowledges that the Office of the Chief Trial Counsel has informed respondent that as of November 15, 2012, the prosecution costs in this matter are \$2,797.00. Respondent further acknowledges that should this stipulation be rejected or should relief from the stipulation be granted, the costs in this matter may increase due to the cost of further proceedings.

#### **EXCLUSION FROM MCLE CREDIT**

Pursuant to rule 3201, Respondent may <u>not</u> receive MCLE credit for completion of State Bar Ethics School, State Bar Client Trust Accounting School, and/or any other educational course(s) to be ordered as a condition of reproval or suspension. (Rules Proc. of State Bar, rule 3201.)

## SIGNATURE OF THE PARTIES

By their signatures below, the parties and their counsel, as applicable, signify their agreement with each of the recitations and each of the terms and conditions of this Stipulation Re Facts, Conclusions of Law, and Disposition.

January 7,2012	Man Honnberg	Marc C. Rosenberg
Date	Respondent's Signature	Print Name
1-3-13	MILLE	Michael G. Gerner
Date	Respondent's Coursel Signature	Print Name
January 3,2012	Adiana Miluge	Adriana M. Burger
Date 0	Deputy Trial Counsel's Signature (/	Print Name

In the Matter of: Marc Charles Rosenberg	Case Number(s): 11-O-19542, 12-O-11208, 12-O-12200, 12-O-17583

		12-O-17583				
	STAYED SUSPI	ENSION ORDER				
Finding the s requested di	stipulation to be fair to the parties and that it ad ismissal of counts/charges, if any, is GRANTE	equately protects the public, IT IS ORDERED that the without prejudice, and:				
	The stipulated facts and disposition are APPROVED and the DISCIPLINE RECOMMENDED to the Supreme Court.					
×	The stipulated facts and disposition are APP DISCIPLINE IS RECOMMENDED to the Sup	ROVED AS MODIFIED as set forth below, and the preme Court.				
	All Hearing dates are vacated.					
The stipu RENUM	lation contains two pagees numbered "7"; the BERED as page number "7a."	second page number "7" is deemed				
On page CHANG	1 of the stipulation, in paragraph A(3), in the la ED to the number "13."	ast sentence, the number "14" is				
On page 4	4 of the stipulation, the "X" in box C(13) is DI ntly included and described in the stipulation.	ELETED, as mitigating factors are				
On page :	5 of the stipulation, an "X" is INSERTED in b	ox D(1)(a).				
On page ( criminal r	of the stipulation, the "X" in box E(8) is DEI matter" in this disciplinary proceeding.	ETED as there is no "underlying				
within 15 day stipulation. (S	/s after service of this order, is granted; or 2) tr See rule 5.58(E) & (F), Rules of Procedure.) <b>Th</b>	s: 1) a motion to withdraw or modify the stipulation, filed is court modifies or further modifies the approved ne effective date of this disposition is the effective date ter file date. (See rule 9.18(a), California Rules of				
	1/25/13 W	mardy. In				
Date	DONAL	LD F. MILES of the State Bar Court				

### **CERTIFICATE OF SERVICE**

[Rules Proc. of State Bar; Rule 5.27(B); Code Civ. Proc., § 1013a(4)]

I am a Case Administrator of the State Bar Court of California. I am over the age of eighteen and not a party to the within proceeding. Pursuant to standard court practice, in the City and County of Los Angeles, on January 25, 2013, I deposited a true copy of the following document(s):

STIPULATION RE FACTS, CONCLUSIONS OF LAW AND DISPOSITION AND ORDER APPROVING

in a sealed envelope for collection and mailing on that date as follows:

by first-class mail, with postage thereon fully prepaid, through the United States Postal Service at Los Angeles, California, addressed as follows:

MICHAEL GALEN GERNER MICHAEL G GERNER, A PROF LAW CORP 425 S BEVERLY DR STE 210 BEVERLY HILLS, CA 90212

by interoffice mail through a facility regularly maintained by the State Bar of California addressed as follows:

ADRIANA BURGER, Enforcement, Los Angeles

I hereby certify that the foregoing is true and correct. Executed in Los Angeles, California, on January 25, 2013.

Rose M. Luthi
Case Administrator
State Bar Court